

February 1, 2016



Legislative Report
FY2015 Secure an Advanced Vision
for Education (SAVE) Annual Report

STATE BOARD OF EDUCATION

State of Iowa
Department of Education
Grimes State Office Building
400 E. 14th Street
Des Moines, IA 50319-0146

State Board of Education

Charles C. Edwards, Jr., President, Des Moines
Michael L. Knedler, Vice President, Council Bluffs
Brooke Axiotis, Des Moines
Michael Bearden, Gladbrook
Diane Crookham-Johnson, Oskaloosa
Angela English, Dyersville
Rosie Hussey, Clear Lake
Mike May, Spirit Lake
Mary Ellen Miller, Wayne County
Hannah Rens, Student Member, Sioux City

Administration

Ryan M. Wise, Director and Executive Officer
of the State Board of Education

Division of School Finance and Support Services

Jeff Berger, Deputy Director

Bureau of Finance, Facilities, Operation and Transportation Services

Tom Cooley, Chief
Gary Schwartz, Education Program Consultant

It is the policy of the Iowa Department of Education not to discriminate on the basis of race, creed, color, sexual orientation, gender identity, national origin, sex, disability, religion, age, political party affiliation, or actual or potential parental, family or marital status in its programs, activities, or employment practices as required by the Iowa Code sections 216.9 and 256.10(2), Titles VI and VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d and 2000e), the Equal Pay Act of 1973 (29 U.S.C. § 206, et seq.), Title IX (Educational Amendments, 20 U.S.C. §§ 1681 – 1688), Section 504 (Rehabilitation Act of 1973, 29 U.S.C. § 794), and the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.). If you have questions or complaints related to compliance with this policy by the Iowa Department of Education, please contact the legal counsel for the Iowa Department of Education, Grimes State Office Building, 400 E. 14th Street, Des Moines, IA 50319-0146, telephone number: 515-281-5295, or the Director of the Office for Civil Rights, U.S. Department of Education, Citigroup Center, 500 W. Madison Street, Suite 1475, Chicago, IL 60661-4544, telephone number: 312-730-1560, FAX number: 312-730-1576, TDD number: 877-521-2172, email: OCR.Chicago@ed.gov.

TABLE OF CONTENTS

| | |
|--|---|
| Iowa Code Requirements Regarding SAVE Reporting..... | 4 |
| SAVE/SILO Annual Report January 2016 | 5 |

IOWA CODE REQUIREMENTS REGARDING SAVE REPORTING

This report regarding the Secure an Advanced Vision for Education (SAVE) fund and any remaining School Infrastructure Local Option (SILO) funds is provided per the following requirements from Iowa Code.

These funds are intended to be used solely for school infrastructure purposes or property tax relief.

256.9 (19) Duties of director.

The department shall compile the financial information related to chapters 423E and 423F from the certified annual reports of each school district received pursuant to section 291.10, subsection 2, and shall submit the information to the general assembly in an annual report each February 1.

291.10 (1) Reports by secretary.

The school district shall file an annual report with the director of the department of education on forms prepared for that purpose.

291.10 (2) Reports by secretary.

The annual report shall include the financial information required in section 423F.5, subsection 1, as related to moneys received under chapter 423E or 423F, as applicable, for each budget year.

423F.5 (1) Contents of financial audit.

A school district shall include as part of its financial audit for the budget year beginning July 1, 2007, and for each subsequent budget year the amount received during the year pursuant to chapter 423E or this chapter, as applicable. In addition, the financial audit shall include the amount of bond levies, physical plant and equipment levy, and public educational and recreational levy reduced as a result of the moneys received under chapter 423E or this chapter, as applicable. The amount of the reductions shall be stated in terms of dollars and cents per one thousand dollars of valuation and in total amount of property tax dollars. Also included shall be an accounting of the amount of moneys received which were spent for infrastructure purposes pursuant to chapter 423E or this chapter, as applicable.

SAVE/SILO ANNUAL REPORT JANUARY 2016

| FY15 Sales Tax Financial Information – Certified Annual Report, Fund 33 | | FY14 | FY15 | Difference | Growth |
|--|--|-------------------------|-------------------------|-------------------------|----------------|
| School Districts Submitting Information | | 346 | 338 | -8 | -2.31% |
| Beginning Balances | | \$668,700,149.27 | \$741,330,809.20 | \$72,630,659.93 | 10.86% |
| Ending Balances | | \$741,643,648.28 | \$737,230,950.42 | -\$4,412,697.86 | -0.59% |
| <p>Note: FY15 beginning balance of \$741,330,809.20 is \$312,839.08 less than the FY14 ending balance of \$741,643,648.28 as result of the dissolution of Clearfield Community School District (CSD) on June 30, 2015. During FY15, the \$312,839.08 was redistributed to Bedford CSD (\$15,641.95), Diagonal CSD (\$46,925.86), Lenox CSD (\$156,419.55), and Mount Ayr CSD (\$93,851.72).</p> | | | | | |
| Revenues | | | | | |
| Total Revenues and Transfers | | \$774,628,670.38 | \$682,973,050.90 | -\$91,655,619.48 | -11.83% |
| Sales Tax Revenues | | \$410,214,858.48 | \$451,480,157.88 | \$41,265,299.40 | 10.06% |
| Other Local Revenues | | \$12,151,569.46 | \$16,416,904.00 | \$4,265,334.54 | 35.10% |
| Other State Revenues | | \$446,618.55 | \$117,896.99 | -\$328,721.56 | -73.60% |
| Federal Revenues | | \$4,359,526.15 | \$1,341,885.73 | -\$3,017,640.42 | -69.22% |
| Sale of Long-Term Debt | | \$314,628,422.86 | \$182,709,580.31 | -\$131,918,842.55 | -41.93% |
| Transfer from Other Funds | | \$12,944,132.10 | \$20,891,504.64 | \$7,947,372.54 | 61.40% |
| Other Revenue | | \$19,883,542.78 | \$10,015,121.35 | -\$9,868,421.43 | -49.63% |
| Expenditures | | | | | |
| Total Expenditures and Transfers | | \$701,685,171.37 | \$687,072,909.68 | -\$14,612,261.69 | -2.08% |
| School Infrastructure Construction | | \$316,363,662.97 | \$314,079,679.55 | -\$2,283,983.42 | -0.72% |
| Land Purchased | | \$7,554,972.57 | \$3,106,982.66 | -\$4,447,989.91 | -58.87% |
| Buildings Purchased | | \$3,210,027.20 | \$1,394,667.10 | -\$1,815,360.10 | -56.55% |
| Equipment | | \$57,836,351.89 | \$64,421,413.16 | \$6,585,061.27 | 11.39% |
| Other | | \$55,189,994.01 | \$52,739,239.10 | -\$2,450,754.91 | -4.44% |
| Transfers to the Debt Service Fund | | \$197,942,534.99 | \$215,713,957.58 | \$17,771,422.59 | 8.98% |
| Transfers to Other Funds | | \$63,587,627.74 | \$35,616,970.53 | -\$27,970,657.21 | -43.99% |
| Expenditures as a Percentage of Revenues | | 90.58% | 100.60% | | |

SAVE Reporting

| 1. Revenue Purpose Statement (RPS) Summary*: | FY14 | | FY15 | |
|--|------------------|------------|------------------|------------|
| | School Districts | Percentage | School Districts | Percentage |
| School districts that indicated RPS expires 2029. | 265 | 76.59% | 266 | 78.70% |
| School districts that indicated RPS expires before 2029. | 81 | 23.41% | 72 | 21.30% |
| School Infrastructure Purposes | 341 | 98.55% | 336 | 99.41% |
| Property Tax Relief | 308 | 89.02% | 295 | 87.28% |
| Physical Plant & Equipment Levy (PPEL) Purposes | 310 | 89.60% | 309 | 91.42% |
| Public Educational & Recreational Levy (PERL) Purposes | 155 | 44.80% | 138 | 40.83% |
| Share with other entities under a 28E agreement | 73 | 21.10% | 66 | 19.53% |

* All 338 school districts have a RPS.

2. Levy Information: Did the district reduce levies as a result of the moneys received under Chapter 423E or 423F in the following funds?

| | FY14 | FY15 | Difference | % Change |
|--|-----------------|-----------------|-----------------|----------|
| Debt Service Levy | | | | |
| Number of school districts that indicated "yes." | 60 | 48 | -12 | -20.00% |
| Amount of property tax reduction. | \$25,812,222.68 | \$23,327,017.41 | -\$2,485,205.27 | -9.63% |
| PPEL | | | | |
| Number of school districts that indicated "yes." | 14 | 11 | -3 | -21.43% |
| Amount of property tax reduction. | \$2,772,809.52 | \$3,040,457.35 | \$267,647.83 | 9.65% |
| PERL | | | | |
| Number of school districts that indicated "yes." | 0 | 0 | 0 | 0.00% |
| Amount of property tax reduction. | \$0.00 | \$0.00 | \$0.00 | 0.00% |

3. Miscellaneous Information:

| | | | | |
|---|------------------|------------------|------------------|---------|
| Number of school districts that issued revenue bonds through Chapter 423F. | 128 | 129 | 1 | 0.78% |
| Amount of sales tax used to pay revenue bonds during FY2014 year. | \$112,233,074.64 | \$100,925,872.39 | -\$11,307,202.25 | -10.07% |
| Number of school districts that indicated if local option sales and services tax (LOSST)/SAVE were not available, the district would have increased property taxes through a bond referendum, voter-approved PPEL, regular PPEL, and/or PERL. | 220 | 234 | 14 | 6.36% |